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U. S. Department of the Interior
Minerals Management Service
P.O. Box 25165
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Denver, CO 80225-0165



Attn. Mr. David S. Guzy
Chief, Rules and Procedures Staff

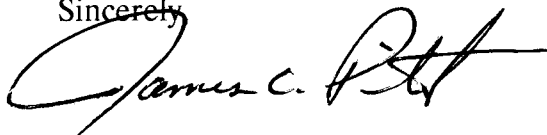
Dear Mr. Guzy:

Texaco Inc. appreciates the opportunity to comment on the Minerals Management Service (MMS) Proposed Rule: Notice of Reopening of Public Comment Period, entitled "Amendments to Gas Valuation Regulations for Federal Leases, (61 FR 25421, May 21, 1996).

Texaco agrees with, references, and hereby adopts as its own, the comments filed by the American Petroleum Institute (API), the Council of Petroleum Accountants (COPAS), and the Rocky Mountain Oil and Gas Association (RMOGA) to this rulemaking. However, it is important to note that the new industry proposal set forth in the comments of those trade associations is a departure from the original consensus as reported by the Federal Gas Valuation Negotiated Rulemaking Committee in March of 1995. While Texaco fully supports the new industry proposal, if it is rejected by MMS for any reason, Texaco strongly urges the MMS to implement the recommendations contained in the March 1995 Report as soon as possible. To that effect, Texaco refers the MMS to our earlier comments filed on February 2, 1996 in response to the Consensus Rule published on November 6, 1995.

Failure to move quickly on this effort continues the ambiguity and uncertainty that the MMS sought to eliminate when the Federal Gas Valuation Negotiated Rulemaking Committee was formally convened, over two years ago, in June, 1994.

Sincerely,


JCP:hg